

# A role of intermediators to bridge the economic and racial divide

The case of South Africa

# The racial divide in South Africa

- South Africa has many different ethnic groups such as Zulu, Xhosa, Afrikaner, English, Sotho, and so on.
- However, the most serious problem in South Africa is the racial divide between Africans and Europeans.
- Race is apparently a category based on visible and physical differences, yet is actually affected by social and economic factors.

# The economic background of the racial divide

- In traditionally industrialized South Africa, firms try to treat lower people as cheap labors that they can easily fire in a recession. And the upper workers (farmers) try to exclude the lower workers (farmers) who may go upward to be a rival in a labor (agricultural) market.
- Racial hierarchy is forged and used to force lower people to accept such an exploitation and exclusion.

# Two frameworks for coexistence

## 1. Consociation

- Consociational policy is effective to mitigate a fierce intergroup conflict because it can satisfy groups' pride by letting each of them have its own autonomous sub-society and exploit the cooperation among leaders of each group.
- However, ordinary people have a limited opportunity to contact with other groups, and the leaders alone cannot produce enough social ties that are necessary to stabilize the society.

## 2. Integration

- integration policy aims to prevent people from forming their voices according to the ethnic or racial cleavage.
- This policy tries to build an intersecting party in which multiple groups can participate to pursue a shared interest.
- Therefore, ordinary people can have more contact with others than in a consociational regime.

# The advantage of integration policy

- In order to overcome an economic gap between races, the transfer of knowledge and skill is important. Integration policy has an edge in producing various connections between races in which this transfer can happen.
- South Africa is likely to prefer integration to consociation.

# Integration in South Africa

- The ruling ANC is seen by many as an umbrella party that represents many ethnic and interest groups.
- The constitution seeks to limit the institutionalization of difference in the public realm.
- The government has managed to emphasize reconciliation over redistribution.

- With all its integration policies and institutions, South Africa cannot effectively overcome the racial divide.



# Problem 1. Economic disparity

- The average income ratio between African and Europeans is 1:6.
- Though the economic growth rate is not so bad, the unemployment rate is 25%. It means poverty is concentrated on the lower Africans.
- Moreover, the gap within Africans has recently increased.

Reason: the transfer of knowledge and skill is stagnated.

- Africans often prefer more direct redistribution of income, lands, and positions, because they think Europeans robbed these resources during the Apartheid regime.
- Europeans recommend Africans to adopt an industrialized attitude, but Africans cannot accept it as it is, because their situations for takeoff are quite different.

## Problem 2. High crime rate

- Lower people want an instant acquisition of wealth but it has been blocked by the unequal distribution. Then many lower people resort to robbery.
- African political leaders cannot endure a long process of learning administrative skills. They instead collude with European executives to collect easier profits.

Reason: myopia

- Thanks to the industrialization, people are not so myopic to cause a serious ethnic conflict seeking the political power to gain an instant benefit.
- Yet a myopia still affects the South African society in the form of robbery and corruption especially when the transfer of knowledge and skills are stalled.

# Find a intermediary

- It is important to build a non-myopic relationship that will prompt the transfer of knowledge and skill from Europeans to Africans.
- Distinguish upper Africans into corrupt officials and industrious workers or entrepreneurs, and then help the latter to be involved in a certain type of activity.

# Intermediating activity

- Since the successful Africans know their fellows well, they can come back home to begin business hiring their fellows.
- Through this activity, the successful Africans can be a role model for other Africans and transfer knowledge and skill to them.

- The successful Africans are often hated by other Africans who regards them as shamelessly trying to imitate Europeans and discard the fellow Africans.
- However, they has an incentive to bear the intermediating role. Even though they come into establishments society, they are still likely to be racially discriminated. Then, they want a backup from their fellow African.

- Since this intermediating activity is not fully pursued, the government should take measures to support the intermediators.